

TO: Pan Fish ASA/ Fjord Seafood ASA/Cermaq ASA/

Oslo 5 April 2006

**ANNUAL GENERAL MEETING – SEPARATE MATTER ON THE AGENDA**

We represent National Environmental Trust Fund holding [ ] shares in [ ] ASA (the Company). On behalf of National Environmental Trust Fund, we request that the following matter is included in the summons for the Annual General Meeting in the Company, ref the Public Limited Liability Company Act Section 5-11:

**“Proposal for protection of the Environment**

**Supporting statement**

It is vital that the Company operates responsibly with respect to environmental issues. Aquaculture boasts a promising future as the cheapest way to produce animal protein with important consumer health benefits. Further, aquaculture has been touted as the solution to the problem of overfishing and the collapse of many important fish populations.

However, current practices in farming of carnivorous fish (such as salmon) in open net cages are making the problem of declining wild fisheries worse rather than better. Threats to the marine environment and human health including nutrient pollution, spread of disease and parasites to wild fish, escapes and inter-breeding and competition with wild fish, and the use of chemicals and antibiotics in salmon farming have been documented in numerous, peer-reviewed scientific studies and also in news reports around the globe.

Evidence includes:

- Industry insiders state that a typical 200,000-fish salmon farm releases nitrogen equal to the waste of 20,000 humans, phosphorus equal to that of 25,000 humans, and fecal matter roughly equivalent to a city of 65,000 people. (R. W. Hardy, "Urban legends and fish nutrition," *Aquaculture Magazine*, Nov/Dec (2000))
- A recent study found that sea lice concentrations at one Canadian salmon farm were 30,000 times higher than normal. Lice are dispersed around a farm at

concentrations 73 times higher than normally occurring levels. Numerous studies from this region suggest that farms spread sea lice to migrating juvenile wild salmon.

- According to *IntraFish*, an industry newspaper, the kudoa parasite affects 20%-50% of all salmon produced in British Columbia, costing the industry there at least \$30 to \$40 million annually.
- A study by the Royal Society of London concludes that escapes of farmed Atlantic salmon can lead to extinctions in wild salmon populations. World Wildlife Fund Norway found that fugitive farmed salmon are significant. Roughly one in two salmon caught in Norway's principle rivers are fugitive farmed salmon, and one in four of those caught off Norway's coasts.
- A study in the journal *Nature* calculated that over three pounds of wild fish- anchovies, herring, sardines, menhaden, mackerel, and the like-are needed to produce one pound of marketable farmed salmon. This produces a net loss of fisheries resources, not a net gain.

These environmental problems can hurt consumer sales. Unilever has eliminated farmed salmon from certain products sold in the UK. Albertsons has written to Salmon of the Americas that it intends to source salmon that resolve these environmental problems. Whole Foods, the largest American retailer of natural foods, has begun to source farmed salmon from Iceland where recent innovations contain production on land.

We ask that the Company adopt closed containment systems and establish feed standards that relieve overfishing. Closed containers, including fibreglass, cement tanks, and heavy gage plasticized bags, physically separate fish from the external environment. The container's impermeable barrier prevents the transmission of diseases and parasites, subsequently reducing the impact on wild fish and the need for chemical and antibiotic treatment on farms. It also eliminates escapes and discharges of wastes into the ocean.

Closed system technology is already being used in Canada, Washington State, and Tasmania. The leaders in this technology are AgriMarine, Eco-Farm, Mariculture Systems, and Future Sea Technologies. Norwegian-owned Eco-Farm describes the advantages of its contained re-circulation system for salmon. These include: eliminates the waste problem "by concentrating, treating and disinfecting all wastes and waste water," reduces feed requirements by 30-40%, has "zero escapes," does not require "any antibiotics ad other chemicals such as delousing treatments, and is 21% cheaper than conventional salmon farming in open sea cage."

We strongly urge the shareholders in the Company to vote for the following

**Resolution:**

*The Annual General Meeting instructs the Board of Directors to undertake the necessary steps to adopt salmon production techniques so that disease transfer, waste*

*pollution, and escapes are eliminated, and to make sure that fish feed is sourced solely from sustainable fisheries.”*

Should the summons for the Ordinary General Meeting already has been sent to the shareholders, we request that that an additional summons for this matter is sent to the shareholders in the Company.

If you have questions regarding National Environmental Trust Fund's share holdings, or you have any other questions, please contact the undersigned.

Yours sincerely,  
Advokatfirma DLA Nordic DA

Arnstein Ødegaard

Enclosure: Translation of the proposal and proposed resolution